

# United States Senate

WASHINGTON, DC 20510

February 27, 2003

Senator Don Nickles  
Chairman  
Senate Budget Committee  
624 Dirksen Senate Office Building  
Washington, DC 20510

Senator Kent Conrad  
Senate Budget Committee  
624 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Nickles and Senator Conrad:

We are writing to urge you to increase mandatory funding for the Child Care Development Block Grant (CCDBG) in the Fiscal Year 2004 Budget Resolution.

The Administration's proposed FY 2004 budget freezes mandatory CCDBG funding at \$4.7 billion. The cost of providing child care services increases as the wages, salaries, and rental costs of child care programs rise with inflation, thus freezing child care funding will result in a reduction of services. An analysis of a freeze in funding demonstrates that the number of children receiving services will be reduced by 200,000 between Fiscal Years 2004 and 2007.

Some argue that flat funding will not lead to reduced services. These arguments are prefaced on the assumption that other sources of funds will be available to supplement CCDBG funding. We believe the opposite is the more likely result. Over the next four years states will spend less Temporary Assistance for Needy Families (TANF) money on child care because since FY 2001, states have supplemented their TANF dollars with over \$1.6 billion in unspent TANF funds from prior years. The surplus TANF funds have largely been spent and most states will cut TANF-funded child care from their FY 2001 level. In addition, state funding for child care will likely decrease given the severe fiscal crisis in all states. With states likely to cut state child care funding and federal TANF funds for child care, the reduction in the number of children who will receive child care subsidies by 2008 will be significantly greater than 200,000.

Freezing CCDBG funding undermines our efforts to help low-income parents leave welfare, obtain and keep employment, and ensure that all children have access to high-quality child care. Studies show that when child care is available, and when families get help paying for child care, they are more likely to work. It is also impossible to ensure that more children enter kindergarten ready to learn while at the same time freezing child care funds. Research demonstrates that children in high quality early care score higher on reading and math tests, are more likely to complete high school and go on to college, and are less likely to repeat a grade or get charged in juvenile court. Instead of freezing mandatory CCDBG funding, we urge the Committee to substantially increase funding in its FY 2004 budget resolution.

Thank you in advance for your consideration.

Sincerely,

Allyson Snow

Jeff Grier

Tom F. Kenny

Chris DonM

Kevin Hatch

Susan Collins

Max Breuer

Mike DeWine

L. L. Chappin

John Breuer

Robert A. Mihalchik

Wm J. Farnham

Edward M. Hunt

Jay R. Rye

John J. [unclear]

James M. Jelfords

Blanche L. Lincoln

Paul S. Sarban

Jack Reed

~~Eric Johnson~~

John Edwards

Carl [unclear]

Patty Murray

Patrick Leahy

Tom Vascio

Frank R. Lautenberg

Tom Hart

Samuel K. Kala